

within 60 days of the date of the acceptance by the Regional Supervisor of the completion of pipeline construction report, provide the Regional Supervisor with evidence of such notification; and

(ii) Relinquish any unused portion of the right-of-way.

(3) Substantial deviation of a right-of-way pipeline as constructed from the proposed right-of-way as granted may be grounds for forfeiture of the right-of-way.

(c) If the Regional Supervisor determines that a significant change in conditions has occurred subsequent to the granting of a right-of-way but prior to the commencement of construction of the associated pipeline, the Regional Supervisor may suspend or temporarily prohibit the commencement of construction until the right-of-way grant is modified to the extent necessary to address the changed conditions.

**§ 250.1013 Assignment of a right-of-way grant.**

(a) Assignment may be made of a right-of-way grant, in whole or of any lineal segment thereof, subject to the approval of the Regional Supervisor. An application for approval of an assignment of a right-of-way or of a lineal segment thereof, shall be filed in triplicate with the Regional Supervisor.

(b) Any application for approval for an assignment, in whole or in part, of any right, title, or interest in a right-of-way grant shall be accompanied by the same showing of qualifications of the assignees as is required of an applicant for a right-of-way in § 250.1010 of this subpart and shall be supported by a statement that the assignee agrees to comply with and to be bound by the terms and conditions of the right-of-way grant. The assignee shall satisfy the bonding requirements in § 250.1009(b) of this part. No transfer shall be recognized unless and until it is first approved, in writing, by the Regional Supervisor. A nonrefundable filing fee of \$60 must accompany the application for the approval of an assignment. MMS periodically will amend the filing fee based on its experience with the costs for administering pipeline right-of-way assignment applications. If the costs increase by more

than the CPI "U," MMS will provide notice and opportunity for comment before changing the filing fee. For lesser cost increases or cost reductions MMS will change the fee without such procedures.

[53 FR 10690, Apr. 1, 1988, as amended at 62 FR 39775, July 24, 1997. Redesignated and amended at 63 FR 29479, 29486, May 29, 1998]

**§ 250.1014 Relinquishment of a right-of-way grant.**

A right-of-way grant or a portion thereof may be surrendered by the holder by filing a written relinquishment in triplicate with the Regional Supervisor. It shall contain those items addressed in § 250.1007(c) of this part. A relinquishment shall take effect on the date it is filed subject to the satisfaction of all outstanding debts, fees, or fines and the requirements in § 250.1009(c)(9) of this part.

[53 FR 10690, Apr. 1, 1988. Redesignated and amended at 63 FR 29479, 29486, May 29, 1998]

**Subpart K—Oil and Gas Production Rates**

**§ 250.1100 Definitions for production rates.**

Terms used in this subpart shall have meanings given below:

*Enhanced recovery operations* means pressure maintenance operations, secondary and tertiary recovery, cycling, and similar recovery operations which alter the natural forces in a reservoir to increase the ultimate recovery of oil or gas.

*Gas reservoir* means a reservoir that contains hydrocarbons predominantly in a gaseous (single-phase) state.

*Gas-well completion* means a well completed in a gas reservoir or in the gas cap of an oil reservoir with an associated gas cap.

*Maximum Efficient Rate (MER)* means the maximum sustainable daily oil or gas withdrawal rate from a reservoir which will permit economic development and depletion of that reservoir without detriment to ultimate recovery.

*Maximum Production Rate (MPR)* means the approved maximum daily

## § 250.1101

rate at which oil or gas may be produced from a specified oil-well or gas-well completion.

*Nonsensitive reservoir* means a reservoir in which ultimate recovery is not decreased by high reservoir production rates.

*Oil reservoir* means a reservoir that contains hydrocarbons predominantly in a liquid (single-phase) state.

*Oil reservoir with an associated gas cap* means a reservoir that contains hydrocarbons in both a liquid and gaseous (two-phase) state.

*Oil-well completion* means a well completed in an oil reservoir or in the oil accumulation of an oil reservoir with an associated gas cap.

*Sensitive reservoir* means a reservoir in which ultimate recovery is decreased by high reservoir production rates. A high reservoir production rate is one which exceeds the MER.

*Waste of oil and gas* means: (1) The physical waste of oil and gas; (2) the inefficient, excessive, or improper use of, or the unnecessary dissipation of reservoir energy; (3) the locating, spacing, drilling, equipping, operating, or producing of any oil or gas well(s) in a manner which causes or tends to cause a reduction in the quantity of oil or gas ultimately recoverable from a pool under prudent and proper operations or which causes or tends to cause unnecessary or excessive surface loss or destruction of oil or gas; or (4) the inefficient storage of oil.

### § 250.1101 General requirements and classification of reservoirs.

(a) Wells and reservoirs shall be produced at rates that will provide economic development and depletion of the hydrocarbon resources in a manner that would maximize the ultimate recovery without adversely affecting correlative rights.

(b) For directionally drilled wells in which the completed interval is closer than 500 feet from a unit or lease line or for vertically drilled wells in which the surface location is closer than 500 feet from a unit or lease line, for which the unit, lease, or royalty interests are not the same, the prior approval by the Regional Supervisor is required before production is commenced. An operator requesting such an approval shall fur-

## 30 CFR Ch. II (7-1-00 Edition)

nish the Regional Supervisor with letters expressing acceptance or objection from operators of offset properties.

(c) The lessee shall propose a classification for each reservoir as an oil reservoir, an oil reservoir with an associated gas cap or a gas reservoir, and as sensitive or nonsensitive.

(d) All oil reservoirs with associated gas caps shall be initially classified as sensitive and shall require establishing a maximum efficient production rate and balancing of production in accordance with § 250.1102(a) (1) and (5) of this part. All other oil reservoirs and all gas reservoirs shall be initially classified as nonsensitive.

(e) A reservoir may be reclassified by the Minerals Management Service (MMS) as to type and sensitivity at any time during its productive life when information becomes available showing that reclassification is warranted.

[53 FR 10690, Apr. 1, 1988. Redesignated and amended at 63 FR 29479, 29486, May 29, 1998]

### § 250.1102 Oil and gas production rates.

(a) *MER*. (1) The lessee shall submit a proposed MER for each producing sensitive reservoir on Form MMS-127, Request for Reservoir Maximum Efficient Rate (MER), along with appropriate supporting information to the Regional Supervisor within 45 days after discovering that a reservoir is sensitive.

(2) The lessee may propose to revise an MER by submitting Form MMS-127 with appropriate supporting information.

(3) The effective date of an MER for a reservoir or revision thereof shall be the first day of the month in which Form MMS-127 is submitted.

(4) When approved, the MER shall not be exceeded, except as provided in paragraph (a)(5) of this section.

(5) If a reservoir is produced at a rate in excess of the MER for any month, the lessee should initiate measures necessary to balance production (offset overproduction by underproduction) during the next succeeding month. All overproduction shall be balanced by the end of the next succeeding calendar quarter following the quarter in which the overproduction occurred. Any operation in an overproduction status in